

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN

1

**QUARTERLY FINANCIAL REPORTING FORM**

Submitted on 11/14/2003 3:38:31 PM






		1
1.	FOR THE QUARTER ENDING:	September 30, 2003
2.	Name:	<b>Managed Dental Care</b>
3.	File Number:(Enter last three digits)                      933-0	<b>302</b>
4.	Date Incorporated or Organized:	June 4, 1991
5.	Date Licensed as a HCSP:	December 24, 1991
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	December 24, 1991
8.	Mailing Address:	6200 Canoga Ave., Ste. 100, Woodland Hills, CA 91367
9.	Address of Main Administrative Office:	6200 Canoga Ave., Ste. 100, Woodland Hills, CA 91367
10.	Telephone Number:	800-273-3330
11.	HCSP's ID Number:	95-4326311
12.	Principal Location of Books and Records:	6200 Canoga Ave., Ste. 100, Woodland Hills, CA 91367
13.	Plan Contact Person and Phone Number:	Candee Bolyog 818-596-5825
14.	Financial Reporting Contact Person and Phone Number:	Jennifer Althaus 818-596-5815
15.	President:*	Candee Bolyog
16.	Secretary:*	Richard Goren, DDS
17.	Chief Financial Officer:*	
18.	Other Officers:*	Treasurer - Earl Harry
19.		Vice President - Jennifer Althaus
20.		# Vice President - Alan Bialeck
21.		
22.	Directors:*	Candee Bolyog
23.		Herschel Reich
24.		Richard Goren, DDS
25.		Roger Samuel, DDS
26.		# Stuart Shaw
27.		Armand de Palo
28.		Richard White
29.		# Scott Sanders
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Candee Bolyog <i>signature required (please type for valid signature)</i>
33. Secretary	Richard Goren, DDS <i>signature required (please type for valid signature)</i>
34. Chief Financial Officer	<i>signature required (please type for valid signature)</i>
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36. If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work

**STATE OF CALIFORNIA**  
**DEPARTMENT OF MANAGED HEALTH CARE**  
**HEALTH CARE SERVICE PLAN**  
  
**QUARTERLY FINANCIAL REPORTING FORM**  
  
**SUPPLEMENTAL INFORMATION**

		1
1.	Are footnote disclosures attached with this filing?	No 
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No 
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No 
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No 
5.	Are there any significant changes reported on Schedule G, Section III?	No 
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## REPORT #1 ---- PART A: ASSETS

1	2
<b>CURRENT ASSETS:</b>	Current Period
1. Cash and Cash Equivalents	951,658
2. Short-Term Investments	
3. Premiums Receivable - Net	343,667
4. Interest Receivable	
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	52,435
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	43,070
10. Aggregate Write-Ins for Current Assets	22,913
11. TOTAL CURRENT ASSETS (Items 1 to 10)	1,413,743
<b>OTHER ASSETS:</b>	
12. Restricted Assets	50,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	0
18. TOTAL OTHER ASSETS (Items 12 to 17)	50,000
<b>PROPERTY AND EQUIPMENT</b>	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	8,594
21. Computer Equipment - Net	19,813
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	28,407
27. TOTAL ASSETS	1,492,150
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS</b>	
1001. Printed Inventory	2,354
1002. Accounts Receivable - Other	20,559
1003. Rounding	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	22,913
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS</b>	
1701. Security Deposits	
1702. Income Tax Receivable	
1703. Def. Income Tax	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT</b>	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
<b>CURRENT LIABILITIES:</b>	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	92,882	XXX	92,882
2. Capitation Payable		XXX	0
3. Claims Payable (Reported)	57,238		57,238
4. Incurred But Not Reported Claims	216,692		216,692
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	37,541	XXX	37,541
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current	126,810	XXX	126,810
11. Aggregate Write-Ins for Current Liabilities	3,985	0	3,985
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	535,148	0	535,148
<b>OTHER LIABILITIES:</b>			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	535,148	0	535,148
<b>NET WORTH</b>			
20. Common Stock	XXX	XXX	2,528,800
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	500,000
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-2,071,798
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	957,002
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	1,492,150
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES</b>			
1101. Accrued Vacation			0
1102. Other Current Liabilities	3,985		3,985
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	3,985	0	3,985
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES</b>			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS</b>			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
<b>REVENUES:</b>		
1. Premiums (Commercial)	2,761,222	7,694,975
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	1,699	5,778
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	318	1,032
11. TOTAL REVENUE (Items 1 to 10)	2,763,239	7,701,785
<b>EXPENSES:</b>		
<b>Medical and Hospital</b>		
12. Inpatient Services - Capitated	1,481,908	4,175,721
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated		
16. Primary Professional Services - Non-Capitated	421,378	962,646
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated		
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	8,313	14,468
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	260,139	794,068
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	2,171,738	5,946,903
<b>Administration</b>		
25. Compensation	141,105	467,382
26. Interest Expense	149	149
27. Occupancy, Depreciation and Amortization	25,228	74,396
28. Management Fees		
29. Marketing	259,872	752,241
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	60,024	177,114
32. TOTAL ADMINISTRATION (Items 25 to 31)	486,378	1,471,282
33. TOTAL EXPENSES	2,658,116	7,418,185
34. INCOME (LOSS)	105,123	283,600
35. Extraordinary Item		
36. Provision for Taxes	41,773	114,495
37. NET INCOME (LOSS)	63,350	169,105
<b>NET WORTH:</b>		
38. Net Worth Beginning of Period	893,652	787,897
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	63,350	169,105
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	957,002	957,002

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES</b>		
1001. Commission Income	318	1,032
1002. Other Income		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	318	1,032
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES</b>		
2301. GP Supplemental Compensation	149,952	460,460
2302. Credentialing	963	3,458
2303. Provider Acquisition	2,989	9,499
2304. Medical Administration	82,380	257,931
2305. Other Medical	8,554	18,633
2306. Quality of Care	15,301	44,087
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	260,139	794,068
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES</b>		
3101. Consulting	11,466	30,803
3102. Office Expense	35,562	98,176
3103. Dues & Subs	1,209	4,107
3104. Tax & License	4,116	12,569
3105. DMHC Annual Assessment	7,671	31,459
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	60,024	177,114
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS</b>		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS</b>		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

**REPORT #3: STATEMENT OF CASH FLOWS**

1	2	3
	Current Period	Year-to-Date
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
1. Group/Individual Premiums/Capitation	2,859,924	7,558,058
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	2,017	6,810
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-1,993,367	-5,545,924
8. Administration Expenses	-678,485	-2,295,209
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	190,089	-276,265
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment	-758	-2,484
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-758	-2,484
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES:</b>		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	189,331	-278,749
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	762,327	1,230,407
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	951,658	951,658
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
30. Net Income	63,350	169,105
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
31. Depreciation and Amortization	6,291	20,848
32. Decrease (Increase) in Receivables	124,096	652,107
33. Decrease (Increase) in Prepaid Expenses	6,652	-7,988
34. Decrease (Increase) in Affiliate Receivables	-1,392	11,354
35. Increase (Decrease) in Accounts Payable	-71,089	-535,681
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	95,990	143,047
37. Increase (Decrease) in Unearned Premium	-33,809	-729,057
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	126,739	-445,370
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	190,089	-276,265
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME</b>		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

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**REPORT #4: ENROLLMENT AND UTILIZATION TABLE****TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	82,983	14,794	7,226	90,551	262,889	11,503		11,503		0	
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual				0				0			
5. Point of Service				0				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0	0	0		
7. Total Membership	82,983	14,794	7,226	90,551	262,889	11,503	0	11,503	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	0	0	0	0	0	0	0	0	0		

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**SCHEDULE A-1 (CASH)**

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Wells Fargo Bank	4518-111638	2,338
2. Wells Fargo Bank	4518-109731	-144,055
3. Chase Bank	910-2-774495	1,652,151
4. Wells Fargo Bank	4417-898244	194,469
5. Fleet Bank	005-048-3979	-753,245
6.		
7.		
8.		
9. Total Cash on Deposit		951,658
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		951,658

**SCHEDULE A-2 RESTRICTED ASSETS**

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
12. US Bank	465407-364300555915	50,000
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		50,000

\* Indicate the Balance Per the HMO's Records

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## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

**SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)**

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Trustee of ABC Commercial Drywall	6,432		7,412	13,844	27,688
2.	Trustees of Healthway of San Diego	11,052		11,052		22,104
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
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40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	242,302	0	39,273	12,300	293,875
55.	Total	259,786	0	57,737	26,144	343,667

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

**SCHEDULE D**  
**HEALTH CARE RECEIVABLES &**  
**AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES**

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Guardian	43,070				43,070
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
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24.						0
25.						0
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28.						0
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30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	43,070	0	0	0	43,070

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## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.	Aggregate Accounts Not Individually Listed - Due					0
24.	Total	0	0	0	0	0

\*\*

**SCHEDULE G - UNPAID CLAIMS ANALYSIS**  
**SECTION I - CLAIMS UNPAID**

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims		80,425	80,425
3. Referral Claims	57,238	136,267	193,505
4. Other Medical			0
5. TOTAL	57,238	216,692	273,930

**SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)**

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

**SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED\***

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0

\* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

\*\*

**STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care**

**SCHEDULE H - AGING OF ALL CLAIMS**

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0

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**STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care**

**SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID**

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. Current Quarter	273,929	XXX	273,929	264,705
2. Previous Quarter	177,939		177,939	9,224
3. Previous 2 Quarters	156,069		156,069	
4. Previous 3 Quarters	129,589		129,589	
5. Previous 4 Quarters	81,930		81,930	
6. Previous 5 Quarters	80,924		80,924	
7. Previous 6 Quarters	95,968		95,968	
8. Previous 7 Quarters	100,077		100,077	

\* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	See Attachment
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## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

**KNOX-KEENE**  
**SUPPLEMENTAL INFORMATION**  
**PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68**

	1	2	3	4	5
<b>A.</b>	<b>Explanation of the method of calculating the provision for incurred and unreported claims:</b>				
1.	The provision for incurred and unreported claims is calculated by performing a lag study following the example provided in Article 9, §1300.77.2 of the regulations as set forth by the Commissioner of the Department of Managed Health Care.				
<b>B.</b>	<b>Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:</b>				
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2.	Guardian	Parent	Administrative Svcs Agree	177,103	n 30
3.					
4.					
5.					
6.					
<b>C.</b>	<b>Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:</b>				
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7.	N/A				
8.					
9.					
10.					
11.					
<b>D.</b>	<b>Forgiven debt or obligations, as detailed below:</b>				
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12.	N/A				
13.					
14.					
15.					
<b>E.</b>	<b>Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:</b>				
16.	Net Equity			\$	957,002
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	177,103
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	779,899
21.	Required Tangible Net Equity (See Page 22)			\$	188,926
22.	TNE Excess (Deficiency)			\$	590,973
<b>F.</b>	<b>Percentage of administrative costs to revenue obtained from subscribers and enrollees:</b>				
23.	Revenue from subscribers and enrollees			\$	7,694,975
24.	Administrative Costs			\$	1,471,282
25.	Percentage				19
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	14,381
27.	Total costs for health care services for the immediately preceding six months:			\$	4,100,982
28.	Percentage				0

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

**STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care**

**REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:**

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

Full Service Plans		Specialized Plans	
	1		2
<b>A.</b> Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
<b>B. REVENUES:</b>			
1. 2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
Plus		Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million	\$ 27,600
3. Total	\$ 0	Total	\$ 177,600
<b>C. HEALTHCARE EXPENDITURES:</b>			
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 188,926
Plus		Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
Plus		Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7. Total	\$ 0	Total	\$ 188,926
8. Required "TNE" - Greater of "A" "B" or "C"	\$	Required "TNE" - Greater of "A" "B" or "C"	\$ 188,926

**KNOX -KEENE  
SUPPLEMENTAL INFORMATION  
PURSUANT TO SECTIONS 1374.64**

**POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION**

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	957,002
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	957,002
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	957,002
<b>ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION</b> (Complete Section I or II):		
<b>I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):</b>		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
<b>II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):</b>		
<b><u>PART A</u></b>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
<b>III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING</b>		
14. Line 5 (above)	\$	957,002
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	957,002
<b>If Line 14 is less than Line 15, then monthly reporting is required</b>		

## STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care

## WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>



**STATEMENT AS OF 9-30-2003 OF 933-0302 Managed Dental Care**

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